POST 2006 INITIATIVE

PROGRESS REPORT

WORKING GROUP(S)_Utility Service Obligation
DATE_ <u>5/27/04</u>
LOCATION <u>Chicago</u>

I <u>ATTENDEES</u>: Fewer participants turned out for this meeting. Representatives from ComEd, Ameren, DCEO, IIEC, Peoples Energy Services, Constellation NewEnergy, and the ICC Staff were in attendance.

II a ISSUES DISCUSSED FROM FINAL ISSUES LIST

This was our second meeting. After reviewing the minutes from the first meeting, the group began to discuss and analyze the current Illinois law relating to the pre- and post-transition obligations of utilities. Prior to this meeting, the co-conveners circulated the AG's overview of the Illinois law, which was then employed as a basis for discussion. The AG's office led the discussion, which focused on both competitive and non-competitive areas. The group decided that this discussion and any document produced there from would serve as a starting point rather than an all-inclusive record of utility service obligations. The group reached consensus on revisions to the AG's overview document. To this end, the AG' office will revise the document for circulation.

ComEd provided a chart that delineated utility service obligations by: 1) service to customers whose class has not been declared competitive; 2) service to customers whose class has been declared competitive but still within the three-year statutory transition period; and 3) customers subject to competitive declaration following the three-year statutory transition period. These groups were further divided by whether customers were served by: a) bundled services; b) a RES; and c) PPO. ComEd will revise footnotes included on the chart.

The group discussed default utility service in general terms. The distinction between physical default electric services from the financial transactions was discussed. It was noted that, in the event of a third-party supplier default, physical power would not be interrupted but the financial liability was still unresolved. This issue may (not) be further complicated by ComEd's recent integration into PJM's markets. ComEd will research this issue for the next meeting.

A tentative consensus was reached that, with respect to questions 80 and 81, ComEd would be the default provider for residential and small commercial customers; these questions remain unanswered (i.e., consensus was not reached) regarding large commercial and industrial customers. However, there was not a representative from a third party provider present to offer input regarding ComEd's designation as the default provider for residential and small commercial customers.

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II b OTHER ISSUES DISCUSSED

A request for conference bridges was reiterated. The co-conveners agreed to raise this issue again on the Friday call.

III PRESENTERS

NONE.

IV PRESENTATION SUMMARIES

NOT APPLICABLE

V CONCLUSIONS REACHED

Tentative consensus was reached that, with respect to questions 80 and 81, ComEd would be the default provider for residential and small commercial customers. However, this topic will be resolved at the next meeting with the input of third-party providers. Moreover, this topic must be properly considered by the larger group.

VI COMMENTS

NONE

VII TOPICS FOR NEXT MEETING

SEE ABOVE.

VIII TIME AND LOCATION OF NEXT MEETING

06/03/04 at 10:00 am at the ICC's Chicago offices.

M. Pera & K. Papadimitriu
Co-conveners

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